

# **EXHIBIT F**

**BOARD RESOLUTION 2018-02**  
**Dakota Energy Cooperative, Inc.**

The Board of Directors of Dakota Energy Cooperative, Inc. at a meeting held on September 25, 2018 has adopted the following resolution;

**WHEREAS**, Dakota Energy Cooperative, Inc. ("Dakota Energy") currently purchases 100% of its wholesale electric energy supply from East River Electric Power Cooperative, Inc. ("East River") and Basin Electric Power Cooperative ("Basin") accounting for DEC's single largest expense, and

**WHEREAS**, Dakota Energy has entered into and executed a long-term all-requirements contract with East River through the year 2075, and

**WHEREAS**, East River has entered into and has executed a long term all-requirements contract with Basin through the year 2075, and

**WHEREAS**, these long-term all-requirements contracts were entered into in good faith with the understanding that Basin would offer wholesale power supply services at low cost based on Basin's non-profit operations and cooperative structure, and

**WHEREAS**, Basin faces critical business and financial challenges related to the ongoing operation and investments in non-utility assets, and

**WHEREAS**, Basin's ten-year financial forecasts for its non-utility asset Dakota Gasification Company ("DGC") reflects significant ongoing financial losses, and

**WHEREAS**, Dakota Energy's suppliers are forecasting increased construction material costs such as: Transformers (2-4%), Enclosures, Switchgear and Cabinets (3-11%), Line Hardware (6%) and Brackets (9%), and

**WHEREAS**, Dakota Energy continues to see increasing rate pressure from price increases to their health insurance benefits (6%), and

**WHEREAS**, Dakota Energy continues to see increasing rate pressure from cost increases to manage, maintain and provide the NRECA R&S Plan (2%), and

**WHEREAS**, the agricultural economy which provides the income of the majority of our membership continues to face significant depression and reductions, and

**WHEREAS**, the long-term all-requirements contracts are in place to provide the financial security through guaranteed revenue for Basin and East River, and

**WHEREAS**, Basin has implemented significant increase in its electric rates to its Class A members, at least in part as a result of the continued negative financial impact of its subsidiary operations, and

**WHEREAS**, East River has implemented an increase in its electric rates to its Class A members to include the increases from Basin Electric, and its own aggressive asset rebuilding plan, and

**WHEREAS**, the Board of Dakota Energy has an obligation to meet its fiduciary responsibility to its member-owners, and

**WHEREAS**, the Board of Dakota Energy has an obligation to evaluate all solutions to the cooperative's cost of purchased power at a manageable rate,


**NOW, THEREFORE, BE IT RESOLVED**, that Dakota Energy believes it is in its best interest to request the amount East River would charge for Dakota Energy to "buy out" of its long-term wholesale power contract with East River;

**BE IT FURTHER RESOLVED**, that Dakota Energy's Board of Directors hereby requests that Dakota Energy's management work with East River's management to provide the "buy out" cost amount for evaluation by the Dakota Energy Board of Directors.

#### **CERTIFICATE**

The undersigned do hereby attest that the foregoing is a true and correct copy of the Resolution as adopted by the Dakota Energy Board of Directors at their regularly scheduled meeting held September 25, 2018.

**IN WITNESS WHEREOF**, the undersigned have executed this Certificate to be signed in its corporate name by its Board Chairman and its corporate seal to be affixed and attested by its Secretary Thereunto duly authorized this 25<sup>th</sup> day of September 2018.

  
Garry Dearborn, Chairman

  
David Allen, Secretary

(corporate seal)

